No. 94-1863

Supreme Court, U.S.
FILED
JUN 12 1995
OFFICE OF THE CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1994

VERSA PRODUCTS COMPANY, INC.,

Petitioner,

—v.—

BIFOLD COMPANY (MANUFACTURING) LTD.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Norman H. Zivin
Counsel of Record
Peter D. Murray
Wendy E. Miller
COOPER & DUNHAM LLP
1185 Avenue of the Americas
New York, New York 10036
(212) 278-0400

Robert M. Axelrod
SILLS CUMMIS ZUCKERMAN
RADIN TISCHMAN EPSTEIN
& GROSS
One Riverfront Plaza
Newark, New Jersey 07102
(201) 643-7000

Attorneys for Respondent,
Bifold Company
(Manufacturing) Ltd.

BEST AVAILABLE COPY

33pp

PARTIES TO THE PROCEEDING

The parties named in the caption are the only parties to this action.

Pursuant to Supreme Court Rule 29.1, rspondent Bifold Company (Manufacturing) Ltd. states that it has no parent or subsidiary companies.

TABLE OF CONTENTS

		Page
I.	STATEMENT OF CASE.....	2
II.	SUMMARY OF ARGUMENT.....	10
	A. There Is No Conflict Arising From The Third Circuit's Decision Here	10
	B. There Is No Conflict Respecting The Issue Of Likelihood Of Confusion	11
III.	ARGUMENT - REASONS FOR DENYING THE WRIT.....	12
	A. There Is No Conflict Between The Third Circuit's Decision Here And Prior Decisions Of This Court And Other Circuit Courts.....	12
	B. There Is No Conflict Among The Circuit Courts On The Application Of Factors Used To Find Likelihood Of Confusion.....	15
IV.	CONCLUSION.....	25

Appendix

TABLE OF AUTHORITIES

Page

Cases

Badger Meter v. Grinnell Corp., 13 F.3d 1145 (7th Cir. 1994).....18

Bauer Lamp Co., Inc. v. Shaffer, 941 F.2d 1165 (11th Cir. 1991).....19

Blue Bell Bio-Medical v. Cin-bad, Inc., 864 F.2d 1253 (5th Cir. 1989).....21

Bose Corp. v. Linear Design Labs, Inc., 467 F.2d 304 (2d Cir. 1972).....22

Brunswick Corp. v. Spinit Reel Co., 832 F.2d 513 (10th Cir. 1987).....19

Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd., 40 F.3d 1431 (3rd Cir. 1994).....10, 11, 12, 13

Esercizio v. Roberts, 944 F.2d 1235 (6th Cir. 1991) cert. denied, 112 S.Ct. 3028 (1992).....18

Fisher Stoves, Inc. v. All Nighter Stove Works, 626 F.2d 193 (1st Cir. 1980).....22

Fisons Horticultural, Inc. v. Vigoro Industries, Inc., 30 F.3d 466 (3d Cir. 1994).....17

TABLE OF AUTHORITIES - Continued

Page

General Mills, Inc. v. Kellogg Co., 824 F.2d 622 (8th Cir. 1987)....22

Interpart Corp. v. Italia, 777 F.2d 678 (Fed. Cir. 1985).....23

L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117 (Fed. Cir. 1993), cert. denied, 114 S.Ct. 291 (1993).....22

Merriam-Webster, Inc. v. Random House, Inc., 35 F.3d 65 (2d Cir. 1994), cert. denied, 115 S.Ct. 1252 (1995).....16

Payless Shoesource, Inc. v. Reebok International Ltd., 998 F.2d 985 (10th Cir. 1993).....18

Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492 (2d Cir. 1961), cert. denied, 82 S.Ct. 36 (1961).....16

Qualitex Co. v. Jacobson Products Co., Inc., 13 F.3d 1297 (9th Cir. 1994), rev'd on other grounds, 115 S.Ct. 1300 (1995).....18

Scott Paper Co. v. Scott's Liquid Gold Inc., 589 F.2d 1225 (3d Cir. 1978).....8

Sno-Wizard Mfg., Inc. v. Eisemann Products Co., 791 F.2d 423(5th Cir. 1986).....18, 21

TABLE OF AUTHORITIES - Continued

Page

Stuart Hall Co., Inc. v. Ampad Corp., 51 F.3d 780 (8th Cir. 1995).....10, 11, 12, 13, 14

Thompson Medical Co., Inc. v. Pfizer, Inc., 753 F.2d 208 (2d Cir. 1985).....17

Two Pesos, Inc. v. Taco Cabana, Inc., 112 S.Ct. 2753 (1992).....10, 11, 12, 13, 14

Authorities

Statutes and Rules

Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) (West Supp. 1994).....15

Other Authorities

Restatement of Torts §§ 728-731 (1938).....15

Restatement of (Third) Unfair Competition (1993) § 20 Cmt. h.....23

In The

SUPREME COURT OF THE UNITED STATES

October Term, 1994

No. 94-1863

VERSA PRODUCTS COMPANY, INC.,

Petitioner,

v.

BIFOLD COMPANY (MANUFACTURING) LTD.,

Respondent.

On Petition For Writ Of Certiorari To The United States Court of Appeals For The Third Circuit

---

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Bifold Company (Manufacturing) Ltd. hereby responds to the petition in this case for a writ of certiorari to review the judgment of the United States Court of Appeals for the Third Circuit.

I. STATEMENT OF CASE

In 1985, Bifold Company (Manufacturing) Ltd. ("Bifold") designed and introduced its DOMINO series of modular control valves. The valves were made by machining stainless steel bars. Later, the valves were made by casting, after sales warranted an investment in casting molds. The cast version of the valve is functionally identical to the bar stock version but differs in shape and weight. The differences result from the elimination of excess metal so that the shape or configuration of the valve conforms to the functional requirements of the valve, as is standard with industrial valves or other industrial components. As a consequence of its functional characteristics, Bifold's DOMINO valves bear a resemblance to the V-316 valves of Petitioner Versa Products Company ("Versa"). Versa made no

complaint respecting Bifold's DOMINO cast valves.

In 1993, Bifold introduced its smaller DOMINO JR. series of valves. Once again, Bifold followed the procedure of first making the valves by machining bar stock and later by casting. It was not until Bifold introduced the cast DOMINO JR. valve, that Versa commenced this action. Although it has no patent or copyright in the designs of its valves, Versa claimed that the configuration of the DOMINO JR. valve infringed the trade dress rights that Versa purportedly has in the configuration of its comparable B-316 valve.

Bifold's DOMINO JR. valve competes with Versa's B-316 valve. Both valves are designed for use in the confined space of control panels on offshore oil drilling platforms. All the individual

features of the configurations of both Versa's B-316 and Bifold's DOMINO JR. valves are dictated by function. There are, however, differences in function, size and in the shape of the respective valves. ... The valves are not interchangeable on the same custom-made control panels. (Pet'r App. at 9a.)[1] The petitioner is incorrect in claiming that the "DOMINO JR. was made to be a replacement part for the Versa B-316 valve...." (Pet'r. Br. at 24.)

These industrial valves are selected and purchased by the manufacturers of control panels. The valves are selected based upon the function of the valves using schematic diagrams which do not

---

[1] References to Petitioner's Appendix and Brief are in the forms "(Pet'r App. at _)" and "(Pet'r Br. at _)", respectively. References to Respondent's Appendix are in the form "(Resp't App. _)".

show the configuration of the valves. Each functional type of control valve is identified by a multi-digit part number. Buyers do not rely on the appearance of the valve in selecting it. (Pet'r App. at 37a.) Versa and Bifold use different numbering systems for their respective valves.

Bifold clearly labels its DOMINO JR. valves so its name appears very prominently twice on each valve. The BIFOLD name is cast into every DOMINO JR. valve body. In addition, a metal label is bolted onto every DOMINO JR. valve body and bears the BIFOLD name, city and country of origin, Bifold's telephone and fax numbers, and a part number and serial number. (Resp't App. at 1a.)

Notwithstanding its finding that each of the design features of Versa's B-316 valve is functional, the District Court found that the overall

configuration of the B-316 valve is nonfunctional. (Pet'r App. at 13a-14a.) The District Court also found the configuration of the B-316 valve to be distinctive, even though Versa had never asserted trademark rights in the configuration or sought to register it. The District Court also found a likelihood of confusion.

The District Court's Order and Injunction permanently enjoined Bifold from selling its cast version of the DOMINO JR. valve. In its Opinion, signaling its eventual reversal by the Third Circuit and its lack of conviction in its own finding of likelihood of confusion, the District Court stated,

> Should it be determined the Findings of Fact do not support the Conclusions of Law or that the Conclusions of Law are inappropriate and thus the injunction is inappropriate, an alternate albeit less efficacious course can be considered. A

> metal label can be attached to the Bifold cast DOMINO JUNIOR valve to read "made in England" and "not a Versa product." While clearly less than that to which Versa is entitled, such labeling on the present form of the cast DOMINO JUNIOR valve is the least necessary to avoid confusion as to source and, to a limited extent, reduce trade dress infringement.

(Pet'r App. at 137a (citation omitted).)

On appeal, the Third Circuit reversed and vacated the injunction. The Third Circuit did not address the lower court's findings on functionality and distinctiveness. (Pet'r App. at 5a.)

The Court of Appeals decided the appeal solely on the likelihood of confusion issue. It concluded that the lowered standard of a "possibility of confusion" employed by the District Court was erroneous and that the finding of likelihood of confusion was clearly erroneous. (Pet'r App. at 50a.) The

Third Circuit found fault with the District Court's application of factors used by the District Court in determining that issue. Those factors are sometimes called the Scott factors. (Pet'r App. at 21a.) See also Scott Paper Co. v. Scott's Liquid Gold, Inc., 589 F.2d 1225, 1229 (3d Cir. 1978) (for a list of the ten Scott factors). Specifically, the Third Circuit found that the District Court did not give sufficient weight to the purchasing process, the sophistication of the consumers, and Bifold's clear labeling of its DOMINO JR. valve. (Pet'r App. at 45a.) Moreover, the Third Circuit concluded that the District Court afforded too much weight, on the facts of this trade dress product configuration case, to the similarity of the configurations and the strength of Versa's configuration and misconstrued the nature of the intent appropriate to a

trade dress product configuration case. In reviewing the finding of facts, the Third Circuit did so within the parameters of the Scott factors as applied to the peculiar facts in this case, and, accordingly, did so in concert with the principles of all the other Circuits.

THE PETITION FOR A WRIT OF CERTIORARI SHOULD BE DENIED

II. SUMMARY OF ARGUMENT

There is no sound reason for reviewing the decision of the Court of Appeals for the Third Circuit. There is no conflict among the circuit courts on issues of trade dress protection. The petition for writ of certiorari should be denied.

A. There Is No Conflict Arising From The Third Circuit's Decision Here.

Petitioner alleges a conflict that does not exist between the Third Circuit in this case and both this Court's ruling in Two Pesos, Inc. v. Taco Cabana, Inc., 112 S.Ct. 2753 (1992), and the Eighth Circuit's ruling in Stuart Hall Co. v. Ampad Corp., 51 F.3d 780 (8th Cir. 1995).

A full review of Stuart Hall reveals that any asserted conflict is with Duraco Products, Inc. v. Joy Plastic

Enterprises, Ltd., 40 F.3d 1431 (3d Cir. 1994) and not with this case. This Court should decline to render an advisory opinion on whether the test adopted in Duraco conflicts with this Court's ruling in Two Pesos and the Eighth Circuit's ruling in Stuart Hall.

B. There Is No Conflict Respecting The Issue Of Likelihood Of Confusion.

All circuit courts including the Third Circuit, have enumerated factors to be considered in determining whether likelihood of confusion exists in a trademark or trade dress infringement case. The circuit courts, the Third Circuit among them, have emphasized, deemphasized, discarded or added factors to give proper evidentiary weight to particular facts. This flexible approach is consistently used by all United States circuit courts.

III. ARGUMENT - REASONS FOR DENYING THE WRIT

A. There Is No Conflict Between The Third Circuit's Decision Here And Prior Decisions Of This Court And Other Circuit Courts.

Petitioner urges a review of the Third Circuit's decision in this case based upon an alleged conflict between the Third Circuit and both this Court's ruling in Two Pesos, and the Eighth Circuit's ruling in Stuart Hall, on the issue of inherent distinctiveness of trade dress. (Pet'r Br. at 10-11.) However, that issue was not addressed by the Third Circuit here, so there is no conflict. Accordingly, the petition on this issue should be rejected.

If any conflict exists on the issue of inherent distinctiveness, it is with the Third Circuit's decision in Duraco, not with the Third Circuit's ruling in this case. Petitioner quotes at page 11

of its brief from Stuart Hall to the effect that the Third Circuit does not follow this Court's ruling in Two Pesos. A full review of Stuart Hall reveals that any asserted conflict is with Duraco and not with this case. (Pet'r App. at 156a.)

Petitioner seeks an advisory opinion that the Third Circuit in Duraco allegedly adopted a test for inherent distinctiveness that is at odds with this Court's ruling in Two Pesos and the Eighth Circuit's ruling in Stuart Hall. This Court should decline to render any advisory opinion.

Indeed, there is no substantive conflict between Stuart Hall and Duraco. Stuart Hall was a trade dress packaging case while Duraco was a trade dress product configuration case. This resulted in somewhat different terminology to express the same standard.

The Eighth Circuit test for distinctiveness in packaging trade dress requires that it be at least "suggestive", that is, possesses a quality or feature recognizable beyond descriptiveness, presumably to an ordinary purchaser. The Third Circuit used substantively the same test expressed differently.

The Third Circuit, rather than requiring a showing of secondary meaning, required an additional quality or feature that can serve as a source indicator. No additional requirement is imposed by the Third Circuit. There is no material conflict with the Eighth Circuit. There is no variance from this Court's requirement in Two Pesos that trade dress, whether packaging, restaurant decor or product configuration, can be found to be inherently distinctive.

B. There Is No Conflict Among The Circuit Courts On The Application Of Factors Used To Find Likelihood of Confusion.

All circuit courts, including the Third Circuit, have enumerated certain factors to be considered in determining whether likelihood of confusion exists in an action brought under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) (West Supp. 1994). Although each of the Circuits has adopted its own list of factors, the various lists of factors are similar. All have their origin in the Restatement of Torts §§ 728-731 (1938). In the Third Circuit, those factors are referred to as the Scott factors and, with only minor variations, they are the same factors employed by other Circuits. (Pet'r App. at 139a-143a.)

In an effort to manufacture a conflict where one does not exist, petitioner asserts that the Circuit Court

has abandoned the "traditional" Scott factors and employed a "new method" for product configuration trade dress cases. However, the Third Circuit has employed the Scott factors in the same manner that the other circuit courts use their respective criteria to determine whether likelihood of confusion exists.

It is universally recognized among the Circuits that the eight or so factors identified are not exhaustive. See e.g., Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492, 495 (2d Cir. 1961), cert. denied, 82 S.Ct. 36 (1961). Even petitioner admits as much. (Pet'r Br. at 13.) The facts of each case determine the weight to be given to each factor and even whether a particular factor or factors should be employed. See Merriam-Webster, Inc. v. Random House, Inc., 35 F.3d 65, 70 (2d Cir. 1994) ("As we recently noted, the list of Polaroid

factors is not exclusive and the analysis of the factors is 'not a mechanical process.' The Polaroid factors are 'merely tools designed to help grapple with the 'vexing' problem of resolving the likelihood of confusion issue.'"(citation omitted)), cert. denied, 115 S.Ct. 1252 (1995); Thompson Medical Co., Inc. v. Pfizer, Inc., 753 F.2d 208, 214 (2d Cir. 1985) ("No single Polaroid factor is pre-eminent, nor can the presence or absence of one without analysis of the others, determine the outcome of an infringement suit."); Fisons Horticultural, Inc. v. Vigoro Industries, Inc., 30 F.3d 466, 476 n.11 (3d Cir. 1994) ("This is not to say that all factors must be given equal weight. The weight given to each factor in the overall picture, as well as its weighing for plaintiff or defendant, must be done on an individual fact-specific basis.");

Sno-Wizard Mfg., Inc. v. Eisemann Products Co., 791 F.2d 423, 428 (5th Cir. 1986) ("we look to a variety of factors..."); Esercizio v. Roberts, 944 F.2d 1235, 1241-1242 (6th Cir. 1991), cert. denied, 112 S.Ct. 3028 (1992); Badger Meter v. Grinnell Corp., 13 F.3d 1135, 1152 (7th Cir. 1994) ("The weight to be assigned to each of these factors will differ according to the case."(citation omitted)); Qualitex Co. v. Jacobson Products Co., Inc., 13 F.3d 1297, 1305 (9th Cir. 1994) ("These factors are non-exclusive guidelines and are not to be applied as a rigid formula." (citation omitted)), rev'd on other grounds, 115 S.Ct. 1300 (1995); Payless Shoesource, Inc. v. Reebok International Ltd., 998 F.2d 985, 988 (10th Cir. 1993) ("This list is not exhaustive and the factors enumerated therein are interrelated, with no one

factor being dispositive." (citation omitted)); Brunswick Corp. v. Spinit Reel Co., 832 F.2d 513, 521 (10th Cir. 1987) ("Those elements are not, however, the only factors a court may consider and, indeed, are not the only factors the district court considered."); Bauer Lamp Co., Inc. v. Shaffer, 941 F.2d 1165, 1171 (11th Cir. 1991).

An analysis of the factors is not an exact science, susceptible to rigid formulas. The factors are to be used as tools in an analysis of the issue of likelihood of confusion. All Circuits, the Third Circuit among them, have emphasized, deemphasized, discarded or added factors as required by specific facts.

The Third Circuit was consistent with the other Circuits in its application of the Scott factors to this case. In the context of the facts, it

weighed all the factors, assigning more or less weight to some and discarding others.

Petitioner seeks to characterize the Third Circuit's analysis of the facts of this trade dress product configuration case as an "abandonment of the traditional Scott factors". (Pet'r Br. at 7.) As the Third Circuit's detailed analysis of the Scott factors demonstrates, there was no abandonment of that test.

Petitioner's quarrel actually is with the weight that the Third Circuit ascribed to certain factors in this case, not that the circuit court "abandoned" the Scott factors altogether.

For just one example, petitioner claims that the Third Circuit held that the substantial similarity of the product configurations had no impact. (Pet'r Br. at 14.). Rather, the Circuit gave weight

to the similarity of the product configurations but concluded, "the similarity of the product designs does not alone give rise to a strong inference of likelihood of confusion." (Pet'r App. at 36a.) The factors which the Third Circuit viewed, as counterweight to the similarity of the products, were labeling, sophistication of the purchasers and the manner in which the valves are sold. (Pet'r App. at 45a.)

Contrary to petitioner's analysis, other Circuits have given dispositive weight to such factors in product configuration cases. See Blue Bell Bio-Medical v. Cin-bad, Inc., 864 F.2d 1253, 1260 (5th Cir. 1989) ("In addition, the prominent labels on both carts do much to dispel any potential confusion."); Sno-Wizard Mfg., 791 F.2d at 429 ("[C]onfusion was unlikely in that the 'origin of each machine is apparent from

bold lettering appearing on each door.'" (citation omitted)); Bose Corp. v. Linear Design Labs, Inc., 467 F.2d 304, 309 (2d Cir. 1972) ("The presence of its name on the product goes far to eliminate confusion of origin." (footnote omitted)); Fisher Stoves, Inc. v. All Nighter Stove Works, 626 F.2d 193, 194-195 (1st Cir. 1980) ("Each manufacturer displayed its name and logo prominently on the door of the front of the stove, clearly identifying its origin. ... In the case of a relatively high-priced, single purchase article, however, 'there is hardly likelihood of confusion or palming off when the name of the manufacturer is clearly displayed.'" (citation omitted)); General Mills, Inc. v. Kellogg Co., 824 F.2d 622, 627 (8th Cir. 1987); L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1134 (Fed. Cir. 1993) ("We conclude that the conspicuous

and permanent placement of the trademarks of L.A. Gear as well as the copyist, and the sophistication of purchasers of fashion athletic shoes, clearly outweigh the similarities in the shoe design, insofar as consumer confusion as to source is avoided."), cert. denied, 114 S.Ct. 291 (1993); Interpart Corp. v. Italia, 777 F.2d 678, 684 (Fed. Cir. 1985).

As another example, without citation, petitioner mischaracterizes the Third Circuit's analysis of the actual confusion factor as a new test claiming that "even evidence of actual confusion may not assist a plaintiff..." (Pet'r Br. at 19.) Indeed, the rule that confusion is relevant only where the purchaser was acting with the care expected of buyers purchasing the type of goods at issue is old and well-recognized among the circuit courts. See generally

Restatement (Third) Unfair Competition § 20 Cmt. h (1993).

Lastly, petitioner in addressing the particular environment in which the valves of the parties are employed, that is, offshore oil platforms, (Pet'r Br. at 23-25), seeks to add another factual test to the Scott factors by giving greater weight to the marketing considerations, in this case the environment in which the valves are sold and used. Petitioner suggests that the Third Circuit ignored this factor, (Pet'r Br. at 25), when the court expressly considered same. (Pet'r App. at 45a.)

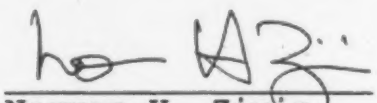
Merely because petitioner believes there should have been a different factual conclusion does not mean there is a conflict among the circuit courts. The circuit courts are in concert with respect to their use of the same analytical tools to determine whether

likelihood of confusion exists. In some instances, they may have found likelihood of confusion but that is a consequence of different facts, not of different standards for ascertaining likelihood of confusion.

IV. CONCLUSION

For the above reasons, the petition for writ of certiorari to the Court of Appeals for the Third Circuit should be denied.

Respectfully submitted,

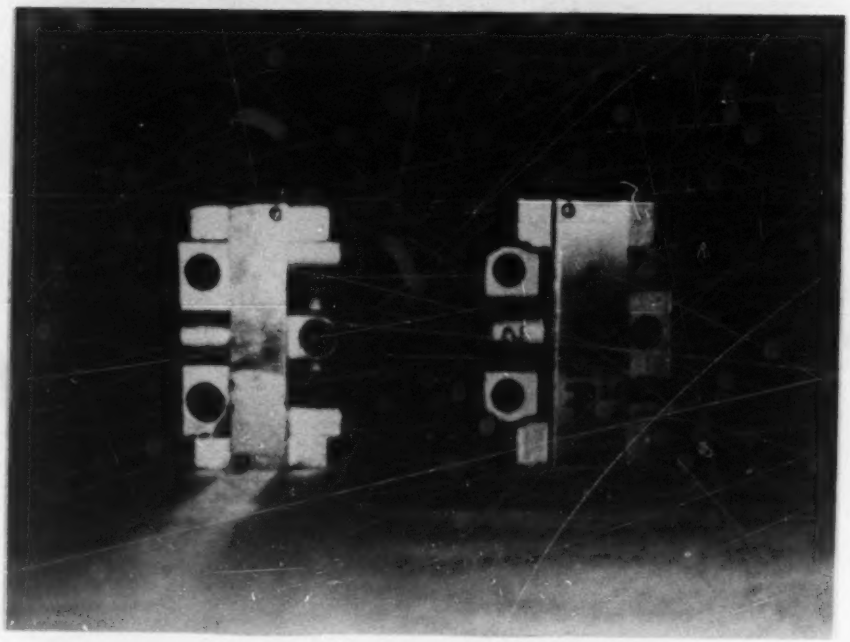


Norman H. Zivin
(Counsel of Record)
Peter D. Murray
Wendy E. Miller
COOPER & DUNHAM LLP
1185 Avenue of the Americas
New York, New York 10036
(212) 278-0400

Robert M. Axelrod
SILLS CUMMIS, ZUCKERMAN RADIN, TISCHMAN EPSTEIN & GROSS
One Riverfront Plaza
Newark, New Jersey 07102
(201) 643-7000

Attorneys for Respondent, Bifold (Manufacturing) Ltd.

APPENDIX



VERSA
B-316

BIFOLD
DOMINO JUNIOR